Chapter 1  Marketing Today and Tomorrow

Marketing Strategies for an Aging Population

The baby boom generation—individuals born between 1946 and 1964—began turning 60 in 2006. Many business publications predict that baby boomers will spend the next phase of their lives retiring, starting a business, moving to a new home, changing partners, or continuing their normal life. In other words, the baby boom generation is a large market that cannot be simply defined.

Older consumers are frequently classified as a homogenous group with similar behaviors and needs. Boomer market and grey market are too simplistic as terms to describe tens of millions of people. Marketers who take this simplistic marketing approach and lump baby boomers into a single category will lose huge sums of money for their companies.

The boomer population includes people who will continue to work until they are 80 or older. Others will retire early only to start new careers or pursue business ventures. Some want to downsize homes and reduce chores such as yard work. Some in this generation will travel throughout the country and the world, while others will be happy becoming more active in their home communities and churches.

Three Marketing Strategies

Although much attention has focused on aging population, the majority of marketers are still planning what to do with this large segment of the market. Marketers are well aware of the demographic and economic importance of older consumers, but addressing the needs of such a diverse population segment is not easy to do. Frequently individuals in their fifties are classified as a niche market. With 87 million people in the United States and 20 million in the United Kingdom who are age 50 or older, it is unrealistic to apply the term niche to this group.

Companies that understand the changing demographics of an aging market respond by initiating a series of marketing projects. Brand managers are given “older-people” awareness training to test their marketing channels for age friendliness. A few companies consider how aging affects their new product development plans. Unfortunately, many of these projects have little or no impact because they are treated as token activities and are poorly funded.

Part of the problem is that marketing firms are ingrained with youthful attitudes and fail to recognize that the marketing strategy for an aging population is not trivial. And because many marketers stay in their job for only two to three years, their incumbent ends up tackling the task of developing marketing strategies for the older market segment. In addition, the tendency for marketers to be conservative means that they avoid risk by conducting business as usual—an easy option. “Business as usual” will not be the most successful strategy for a large aging population.

Successful marketers must change their approach and focus more time and money on older consumers in North America, Europe, Australia, and Japan. The number of wealthier, older people will increase as the numbers of 18- to 35-year-olds either plateaus or declines. A 2005 Duke research study showed that baby boomers are the most
heterogeneous of all generations in their market behaviors. Therefore, successful marketing strategies are paying more attention to lifestyle than age.

One factor that is common among all older people is their susceptibility to the physiological effects of aging on their sight, dexterity, smell, touch, hearing, and cognitive skills. Ironically, the majority of marketers ignore this fact. Physiological changes associated with aging should be considered when designing new products. The beauty industry, for example, has embraced the opportunity to create new products aimed at the older market. The automobile, consumer technology, and fast moving consumer goods industries have numerous opportunities to develop products that appeal to older consumers.

**Think Critically**

1. Why should boomers be classified a primary market instead of a niche market?"

2. Why should marketers pay attention to the amount of wealth associated with older people?

3. Why should new product development departments be sensitive to the changing demographics of the population?